

- | | |
|---|---|
| incorporated or not; or

(iii) body of individuals, whether incorporated or not; or

(iv) every artificial juridical person referred to in section 2(77)(g) of the said Act, having any income under section 210 of the said Act and not having any income chargeable to tax under section 202 of the said Act. | or short term or long-term capital gains as referred to in section 210(1)[Table: Sl. Nos. 2 to 5] of the said Act exceeds ₹ 20000000 but does not exceed ₹ 50000000, at the rate of 25%;

(iv) where the total income [excluding dividend income or short term or long-term capital gains as referred to in section 210(1)[Table: Sl. Nos. 2 to 5] of the said Act exceeds ₹ 50000000, at the rate of 37%;

(v) where the total income [including dividend income or short term or long-term capital gains as referred to in section 210(1)[Table: Sl. Nos. 2 to 5] of the said Act exceeds ₹ 20000000, but is not covered in clauses (iii) and (iv), at the rate of 15%;

(vi) where the total income includes any dividend income or short term or long-term capital gains as referred to in section 210(1)[Table: Sl. Nos. 2 to 5] of the said Act, the rate of surcharge on the advance tax computed on that part of income shall not exceed 15% and the provisions of clause (i) or (ii), as the case may be, shall apply accordingly. |
|---|---|
3. 193, 194, 199, 206, 207, 208, 209, 210, 211, 214, 218 or 334. Association of persons consisting of only companies as its members. (i) Where the total income exceeds ₹ 5000000 but does not exceed ₹ 10000000, at the rate of 10%;

- (ii) where the total income exceeds ₹ 10000000, at the rate of 15%.
4. 193, 194, 199, 206, 207, 208, 209, 210, 211, 214, 218 or 334. Every co-operative society except such co-operative society whose income is chargeable to tax under section 203 or 204 of the said Act.
- (i) Where the total income exceeds ₹ 10000000 but does not exceed ₹ 100000000, at the rate of 7%;
- (ii) where the total income exceeds ₹ 100000000, at the rate of 12%.
5. 193, 194, 199, 206, 207, 208, 209, 210, 211, 214, 218 or 334. Every firm or local authority.
- Where the total income exceeds ₹ 10000000, at the rate of 12%.
6. 193, 194, 199, 206, 207, 208, 209, 210, 211, 214, 218 or 334. Every domestic company except such domestic company whose income is chargeable to tax under section 200 or 201 of the said Act.
- (i) Where the total income exceeds ₹ 10000000 but does not exceed ₹ 100000000, at the rate of 7%;
- (ii) where the total income exceeds ₹ 100000000, at the rate of 12%.
7. 193, 194, 199, 206, 207, 208, 209, 210, 211, 214, 218 or 334. Every company, other than a domestic company.
- (i) Where the total income exceeds ₹ 10000000 but does not exceed ₹ 100000000, at the rate of 2%;
- (ii) where the total income exceeds ₹ 100000000, at the rate of 5%.
8. 195(I)(i). Any assessee. 25%

9.	200 or 201.	Every domestic company.	10%
10.	202.	(i) Every individual; or (ii) Hindu undivided family; or (iii) association of persons, except in a case of an association of persons consisting of only companies as its members, whether incorporated or not; or (iv) body of individuals, whether incorporated or not; or (v) every artificial juridical person referred to in section 2(77)(g) of the said Act.	(i) Where the total income (including dividend income or capital gains under the provisions of sections 196, 197 and 198 of the said Act) exceeds ₹ 5000000 but does not exceed ₹ 10000000, at the rate of 10%; (ii) where the total income (including dividend income or capital gains under the provisions of sections 196, 197 and 198 of the said Act) exceeds ₹ 10000000 but does not exceed ₹ 20000000, at the rate of 15%; (iii) where the total income (excluding dividend income or capital gains under the provisions of sections 196, 197 and 198 of the said Act) exceeds ₹ 20000000, at the rate of 25%; (iv) where the total income (including dividend income or capital gains under the provisions of sections 196, 197 and 198 of the said Act) exceeds ₹ 20000000, but is not covered in clause (iii), at the rate of 15%; (v) where the total income includes any dividend income or capital gains under the provisions of sections 196, 197 and 198 of the said Act, the rate of surcharge on the “advance tax” in respect of that part of

income shall not exceed 15% and the provisions of clause (i) or (ii), as the case may be, shall apply accordingly.

- | | | |
|-------------------------------|---|---|
| 11. 202. | Association of persons consisting of only companies as its members. | (i) Where the total income exceeds ₹ 5000000 but does not exceed ₹ 10000000, at the rate of 10%;

(ii) where the total income exceeds ₹ 10000000, at the rate of 15%. |
| 12. 203 or 204. | Every co-operative society resident in India. | 10% |
| 13. 210(1)[Table: Sl. No. 1]. | Specified fund, referred to in Schedule VI [Note 1(g)] of the said Act, whose income includes any income under section 210(1) [Table: Sl. No. 1] of the said Act. | No surcharge on advance tax computed on that part of income as referred to in section 210(1)[Table: Sl. No. 1] of the said Act. |

(13) For the purposes of sub-section (12), in respect of the persons mentioned in column B of the Table below, having total income chargeable to tax under section 202, 206(1) or 206(2) of the said Act, as the case may be, and such income exceeds the amount as specified in column C of the said Table but does not exceed the amount specified in column D thereof, the total amount payable as “advance tax” on such income and surcharge thereon shall not exceed the amount determined as per the following formula:—

$$T_a = R_a + S_a$$

where,—

T_a = the total amount beyond which the total amount payable as “advance tax” on total income chargeable to tax under section 202, 206(1) or 206(2) of the said Act, as the case may be, and surcharge thereon shall not exceed;

R_a = the total amount payable as income-tax and surcharge, if applicable, on an amount as specified in column C of the Table below; and

S_a = the total income – amount as specified in column C of the said Table.

TABLE			
Sl. No.	Person specified in Table below clause (b) of sub-section (12)	Amount	Amount
A	B	C	D
1.	Persons specified against Sl. Nos. 1 and 2 in column C.	₹ 50000000. ₹ 100000000. ₹ 200000000.	₹ 100000000. ₹ 200000000. ₹ 500000000.
		₹ 500000000.	-
2.	Person specified against Sl. No. 3 in column C.	₹ 50000000. ₹ 100000000.	₹ 100000000. -
3.	Person specified against Sl. No. 4 in column C.	₹ 100000000. ₹ 1000000000.	₹ 1000000000. -
4.	Person specified against Sl. No. 5 in column C.	₹ 100000000.	-
5.	Persons specified against Sl. Nos. 6 and 7 in column C.	₹ 100000000. ₹ 1000000000.	₹ 1000000000. -
6.	Persons specified against Sl. Nos. 10 and 11 in column C.	₹ 50000000. ₹ 100000000. ₹ 200000000.	₹ 100000000. ₹ 200000000. -

(14) (a) Where an assessee, as specified in column B of the Table below, has, in the tax year, if by virtue of any provision of the said Act, income-tax

is to be charged in respect of the income of a period other than the tax year, in such other period, any net agricultural income exceeding ₹ 5000 in addition to the total income, which exceeds the maximum amount not chargeable to income-tax, as specified in column C of the said Table, in respect of the said assessee, then, in charging income-tax under section 317(2) or 318 or 319 or 320(2) of the said Act or in computing the “advance tax” payable under Chapter XIX-C of the said Act, at the rate or rates in force, the net agricultural income shall be taken into account, only for the purpose of charging or computing such income-tax or, as the case may be, “advance tax” in respect of the total income.

TABLE

Sl. No.	Assessee	Maximum amount not chargeable to income-tax
A	B	C
1.	(i) Every individual other than the individual referred to in Sl. No. 2 or 3; or (ii) Hindu undivided family; or (iii) association of persons or body of individuals, whether incorporated or not; or (iv) every artificial juridical person referred to in section 2(77)(g) of the said Act, not being an assessee to which Paragraph B, C, D or E of Part I-B of the First schedule applies or to whom Sl. No. 4 applies.	₹ 250000.
2.	Every individual, being a resident in India, who is of the age of sixty or more but less than eighty years at any time during the tax year.	₹ 300000.
3.	Every individual, being a resident in India, who is of the age of eighty years or more at any time during the tax year.	₹ 500000.

4. Assessee whose income is chargeable to tax under section 202 of the said Act. ₹ 400000.

(b) For the purposes of clause (a), the income-tax or, as the case may be, “advance tax” chargeable shall be computed as per the following formula:—

$$Z_a = X_a - Y_a$$

where,—

Z_a = the income-tax or, as the case may be, “advance tax” chargeable for the purposes of clause (a);

X_a = the amount of income-tax or “advance tax” determined in respect of the Aggregate Income (AI_a) at the rates specified in Paragraph A of Part III of the First Schedule or section 202 of the said Act, as if such AI_n were the total income; and

Y_a = the amount of income-tax or “advance tax” determined in respect of the net agricultural income increased by a sum as specified in column C of the Table in clause (a) at the rates specified in the said Paragraph A or section 202 of the said Act, as if the net agricultural income as so increased were the total income;

Aggregate Income (AI_a) = Total income + Net agricultural income.

(c) The amount of income-tax or “advance tax” so arrived at, shall be increased by a surcharge for the purposes of the Union, calculated in each case, in the manner provided in this section or Paragraph F [(Table 1: Sl. Nos. 1 and 2) and (Table 2: Sl. Nos. 1 and 2)] of Part III of the First Schedule.

(15) The amount of income-tax as specified in sub-sections (1) to (5) and as increased by the applicable surcharge, for the purposes of the Union, calculated in the manner provided therein, shall be further increased by an additional surcharge, for the purposes of the Union, to be called the “Health and Education Cess on income-tax”, calculated at the rate of 4% of such income-tax and surcharge so as to fulfil the commitment of the Government to provide and finance quality health services and universalised quality basic education and secondary and higher education.

(16) The amount of income-tax as specified in sub-sections (6) to (14) and as increased by the applicable surcharge, for the purposes of the Union,

calculated in the manner provided therein, shall be further increased by an additional surcharge, for the purposes of the Union, to be called the “Health and Education Cess on income-tax”, calculated at the rate of 4% of such income-tax and surcharge so as to fulfil the commitment of the Government to provide and finance quality health services and universalised quality basic education and secondary and higher education.

(17) The provisions of sub-section (16) shall not apply—

(i) to cases in which tax is to be deducted or collected under the sections of the said Act mentioned in sub-sections (7), (8) and (9), if the income subjected to deduction of tax at source or collection of tax at source is paid to a domestic company and any other person who is resident in India;

(ii) in respect of income-tax as specified in sub-sections (10) to (13), calculated on income, referred to in section 210(1) [Table: Sl. No. 1] of the said Act, of specified fund referred to in Schedule VI [Note 1(g)] of the said Act.

(18) For the purposes of this section and Parts I-B, II, III and IV-B of the First Schedule,—

(a) “domestic company” means an Indian company or any other company which, in respect of its income liable to income-tax under the said Act, for the tax year commencing on the 1st April, 2026, has made the prescribed arrangements for the declaration and payment within India of the dividends (including dividends on preference shares) payable out of such income;

(b) “insurance commission” means any remuneration or reward, whether by way of commission or otherwise, for soliciting or procuring insurance business (including business relating to the continuance, renewal or revival of policies of insurance);

(c) “net agricultural income” in relation to a person, means the total amount of agricultural income, from whatever source derived, of that person computed in accordance with the rules contained in Part IV-B of the First Schedule;

(d) all other words and expressions used in this section and Parts I-B, II, III and IV-B of the First Schedule but not defined in this sub-section and defined in the said Act shall have the meanings, respectively, assigned to them in the said Act.

CHAPTER III

DIRECT TAXES

A.— Income-tax under the Income-tax Act, 1961

Amendment
of section
92CA.

4. In section 92CA of the Income-tax Act, 1961 (hereafter in this Part referred to as the Income-tax Act), after sub-section (3A), the following sub-section shall be inserted and shall be deemed to have been inserted with effect from the 1st day of June, 2007, namely:—

43 of 1961.

“(3AA). Notwithstanding anything contained in any judgment, order or decree of any court, for the purposes of making order under sub-section (3), the calculation of sixty days shall be made and shall always be deemed to have been made in the following manner, namely:—

(a) where the period of limitation expires on 31st of March of any year (not being a leap year), the order under sub-section (3) may be made up to the 30th of January of that year;

(b) where the period of limitation expires on 31st of March of any year (being a leap year), the order under sub-section (3) may be made up to the 31st of January of that year;

(c) where the period of limitation expires on 31st of December of any year, the order under sub-section (3) may be made up to the 1st of November of that year.”.

Amendment
of section
139.

5. In section 139 of the Income-tax Act, with effect from the 1st day of March, 2026,—

(a) in sub-section (1), for *Explanation 2*, the following *Explanation* shall be substituted and shall be deemed to have been substituted, namely:—

‘*Explanation 2.*—For the purposes of this sub-section, “due date” in respect of the persons mentioned in column B of the Table below, subject to the conditions as mentioned in column C of the said Table, shall be the due date of assessment year as mentioned in column D thereof:

TABLE

Sl. No.	Person	Conditions	Due date
A	B	C	D
1.	Assessee, including the partners of the firm or the spouse of such partner (if section 5A applies to such spouse).	Where the provisions of section 92E apply.	30th November.
2.	(i) Company; (ii) Assessee (other than a company) whose accounts are required to be audited under this Act or under any other law for the time being in force; (iii) partner of a firm whose accounts are required to be audited under this Act or under any other law for the time being in force or the spouse of such partner (if section 5A applies to such spouse).	Where the provisions of section 92E do not apply.	31st October.
3.	(i) Assessee having income from profits and gains of business or profession whose accounts are not required to be audited under this Act or under any other law for the time being in force; (ii) partner of a firm whose accounts are not required to be audited under this Act or under any other law for the time being in force or the spouse of such partner (if section 5A applies to such spouse).	Where the provisions of section 92E do not apply.	31st August.
4.	Any other assessee.		31st July.;

(b) for sub-section (5), the following sub-section shall be substituted and shall be deemed to have been substituted, namely:—

“(5) If any person, having furnished a return under sub-section (1) or sub-section (4), discovers any omission or any wrong statement therein, he may, subject to the provisions of section 234-I, furnish a revised return at any time before the end of the relevant assessment year or before the completion of the assessment, whichever is earlier.”;

(c) in sub-section (8A),—

(i) in the first proviso, in item (i), after the words “return of a loss”, the words “except in a case referred to in the sixth proviso” shall be inserted;

(ii) in the third proviso, in item (b), after the words “in his case”, the words “except in a case referred to in the eighth proviso” shall be inserted;

(iii) in the sixth proviso, after the words “return of income”, the words “or such updated return has the effect of reducing the loss” shall be inserted;

(iv) after the seventh proviso, the following proviso shall be inserted, namely:—

“Provided also that an updated return may be furnished by a person for the relevant assessment year in pursuance of a notice under section 148 within such period as specified in the said notice and in such a case, the assessee shall be precluded from filing return in pursuance of the said notice in any other manner.”.

Amendment
of section
140B.

6. In section 140B of the Income-tax Act, after sub-section (3), the following sub-section shall be inserted and shall be deemed to have been inserted with effect from the 1st day of March, 2026, namely:—

“(3A) Where an updated return is filed in pursuance of a notice issued under section 148 within the period specified in the said notice, the additional income-tax payable under sub-section (3) shall be increased by a further sum of ten per cent. of the aggregate of tax and interest payable, as determined in sub-section (1) or sub-section (2), as the case may be.”.

Amendment
of section
144C.

7. In section 144C of the Income-tax Act,—

(a) after sub-section (4), the following sub-section shall be inserted and shall be deemed to have been inserted with effect from the 1st day of April, 2009, namely:—

“(4A) Notwithstanding anything contained in any judgment, order or decree of any court, or section 153, for the removal of doubts, it is hereby clarified for the purposes of sub-section (4) that where a draft of the proposed order of assessment under sub-section (1) is forwarded within the time period allowed under section 153, further time period available to the Assessing Officer to complete the assessment under sub-section (3) shall be governed and shall always be deemed to have been governed by the provisions of sub-section (4).”;

(b) after sub-section (4A) as so inserted, the following sub-section shall be inserted and shall be deemed to have been inserted with effect from the 1st day of October, 2009, namely: —

“(4B) Notwithstanding anything contained in any judgment, order or decree of any court, or section 153B, for the removal of doubts, it is hereby clarified for the purposes of sub-section (4) that where a draft of the proposed order of assessment under sub-section (1) is forwarded within the time period allowed under section 153B, further time period available to the Assessing Officer to complete the assessment under sub-section (3) shall be governed and shall always be deemed to have been governed by the provisions of sub-section (4).”;

(c) after sub-section (13), the following sub-section shall be inserted and shall be deemed to have been inserted with effect from the 1st day of April, 2009, namely:—

“(13A) Notwithstanding anything contained in any judgment, order or decree of any court, or section 153, for the removal of doubts, it is hereby clarified for the purposes of sub-section (13) that where a draft of the proposed order of assessment under sub-section (1) is forwarded within the time period allowed under section 153, time period available for the Assessing Officer under sub-section (13) to pass the assessment order upon receipt of the direction issued under sub-section (5), shall be governed and shall always be deemed to have been governed by the provisions of sub-sections (12) and (13).”;

(d) after sub-section (13A) as so inserted, the following sub-section shall be inserted and shall be deemed to have been inserted with effect from the 1st day of October, 2009, namely:—

“(13B) Notwithstanding anything contained in any judgment, order or decree of any court, or section 153B, for the removal of doubts, it is hereby clarified for the purposes of sub-section (13) that where a draft of the proposed order of assessment under sub-section (1) is forwarded within the time period allowed under section 153B, time period available for the Assessing Officer under sub-section (13) to pass the assessment order upon receipt of the direction issued under sub-section (5), shall be governed and shall always be deemed to have been governed by the provisions of sub-sections (12) and (13).”.

Insertion of
new section
147A.

8. After section 147 of the Income-tax Act, the following section shall be inserted and shall be deemed to have been inserted with effect from the 1st day of April, 2021, namely:—

Assessing
Officer for
purposes of
sections 148
and 148A.

“147A. Notwithstanding anything contained in any judgement, order or decree of any court or in section 151A or in any scheme framed thereunder, for the removal of doubts, it is hereby clarified that the Assessing Officer for the purposes of sections 148 and 148A shall mean and shall always be deemed to have meant to be an Assessing Officer other than the National Faceless Assessment Centre or any assessment unit referred to in sub-section (3) of section 144B.”.

Amendment
of section
153.

9. In section 153 of the Income-tax Act, after sub-section (9), the following sub-section shall be inserted and shall be deemed to have been inserted with effect from the 1st day of April, 2009, namely:—

“(10) Notwithstanding anything contained in any judgment, order or decree of any court, for the removal of doubts, it is hereby clarified that in terms of provisions of sub-sections (1) to (4), the draft of the proposed order of assessment referred to in sub-section (1) of section 144C shall be made, and shall always be deemed to have been made, at any time up to the time limit of assessment, reassessment or recomputation referred to in the said sub-sections.”.

Amendment
of section
153B.

10. In section 153B of the Income-tax Act, after sub-section (1), the following sub-section shall be inserted and shall be deemed to have been inserted with effect from the 1st day of October, 2009, namely:—

“(1A) Notwithstanding anything contained in any judgment, order or decree of any court, for the removal of doubts, it is hereby clarified that in terms of provisions of this section, the draft of the proposed order of assessment referred to in sub-section (1) of section 144C shall be made, and shall always be deemed to have been made, at any time up to

the time limit of assessment, reassessment or recomputation referred to in this section.”.

Amendment
of section
220.

11. In section 220 of the Income-tax Act, 1961, in sub-section (2), after the third proviso, the following proviso shall be inserted and shall be deemed to have been inserted with effect from the 1st day of March, 2026, namely:—

—
“Provided also that no interest shall be charged under this sub-section in respect of any demand raised on account of penalty levied under section 270A—

(a) up to the date of passing of the order under section 250;

(b) up to the date of passing of the order under section 254, where the assessment or reassessment has been made in pursuance to directions issued by the Dispute Resolution Panel under section 144C.”.

Insertion of
new section
234-I.

12. After section 234H of the Income-tax Act, the following section shall be inserted and shall be deemed to have been inserted, with effect from the 1st day of March, 2026, namely:—

Fee for
furnishing
revised
return of
income.

“234-I. Without prejudice to the provisions of this Act, where any person furnishes a return of income under sub-section (5) of section 139, beyond nine months but before twelve months from the end of the relevant assessment year, he shall pay by way of a fee,—

(a) a sum of one thousand rupees, if the total income of such person does not exceed five lakh rupees;

(b) a sum of five thousand rupees, in any other case.”.

Amendment
of section
245MA.

13. In section 245MA of the Income-tax Act, in sub-section (2), for the words “waive any penalty imposable”, the words “waive any penalty imposed or imposable” shall be substituted and shall be deemed to have been substituted with effect from the 1st day of March, 2026.

Amendment
of section
270A.

14. In section 270A of the Income-tax Act, after sub-section (11), the following sub-section shall be inserted and shall be deemed to have been inserted with effect from the 1st day of March, 2026, namely:—

“(11A) Where additional income-tax is paid in accordance with sub-section (3A) of section 140B, the income on which such additional income-tax is paid shall not form the basis of imposition of penalty under this section.”.

Amendment
of section
270AA.

15. In section 270AA of the Income-tax Act, for sub-sections (1) to (3), the following sub-sections shall be substituted and shall be deemed to have been substituted with effect from the 1st day of March, 2026, namely:—

“(1) An assessee may make an application to the Assessing Officer to grant immunity from imposition or, as the case may be, waiver of penalty under section 270A and immunity from initiation of proceedings under section 276C or section 276CC, if he fulfils the following conditions, namely: —

(a) the tax and interest payable as per the order of assessment under sub-section (3) of section 143 or reassessment under section 147 has been paid within the period specified in the notice of demand;

(b) where penalty has been levied or, as the case may be, leviable under the circumstances referred to in sub-section (9) of section 270A, additional income-tax amounting to one hundred per cent. of the amount of tax payable on under-reported income has been paid within the period specified in the notice of demand, in lieu of such penalty; and

(c) no appeal has been filed against the order referred to in clauses (a) and (b).

(2) An application referred to in sub-section (1) shall be made within one month from the end of the month in which the order referred to in clause (a) and clause (b) of the said sub-section has been received by the assessee, in such form and verified in such manner, as may be prescribed.

(3) The Assessing Officer shall, on fulfilment of the conditions specified in sub-section (1) and after the expiry of the period of filing the appeal as specified in clause (b) of sub-section (2) of section 249, grant immunity from imposition or, as the case may be, waiver of penalty under section 270A and initiation of proceedings under section 276C or section 276CC.

(3A) No immunity or, as the case may be, waiver under sub-section (3) shall be granted where any proceedings has been initiated under Chapter XXII.”.

Amendment
of section
274.

16. In section 274 of the Income-tax Act, with effect from the 1st day of March, 2026,—

(a) in sub-section (1), after the words “a reasonable opportunity of being heard”, the words “by way of a show cause notice to that effect” shall be inserted and shall be deemed to have been inserted;

(b) after sub-section (3), the following sub-sections shall be inserted and shall be deemed to have been inserted, namely:—

“(4) Notwithstanding anything contained in any other provision of this Act, where any draft of the proposed order of assessment under section 144C or assessment under section 143 or reassessment under section 147 is made on or after 1st of April, 2027 in respect of the assessment year 2026-2027 or any earlier assessment year,—

(a) the penalty under section 270A, if any, shall constitute part of such draft assessment or shall be imposed as a part of such order of assessment or reassessment, as the case may be; and

(b) the reference to the assessment order or the penalty order under section 270A in any of the provisions of this Act shall take reference to such order of assessment or reassessment, as the case may be.

(5) Where the approval of the Joint Commissioner is taken for passing of an order of assessment or reassessment on or after the 1st April, 2027, such approval shall also be deemed to be the approval for the imposition of penalty under section 270A, if any, constituting part of such order of assessment or reassessment.”.

Amendment
of section
275A.

17. In section 275A of the Income-tax Act, with effect from the 1st day of March, 2026,—

(a) for the marginal heading, the following marginal heading shall be substituted and shall be deemed to have been substituted, namely:—

“Contravention of order made during search action.”;

(b) for the words “rigorous imprisonment which may extend to two years and shall also be liable to fine”, the words “simple imprisonment for a term up to two years and with fine” shall be substituted and shall be deemed to have been substituted.

Amendment
of section
275B.

18. In section 275B of the Income-tax Act, with effect from the 1st day of March, 2026,—

(a) for the marginal heading, the following marginal heading shall be substituted and shall be deemed to have been substituted, namely:—

“Failure to afford facility for inspection of books of account during search.”;

(b) for the words “rigorous imprisonment for a term which may extend to two years and shall also be liable to fine”, the words “simple imprisonment for a term up to six months, or with fine, or with both” shall be substituted and shall be deemed to have been substituted.

Amendment
of section
276.

19. In section 276 of the Income-tax Act, for the words “rigorous imprisonment for a term which may extend to two years and shall also be liable to fine”, the words “simple imprisonment for a term up to two years and with fine” shall be substituted and shall be deemed to have been substituted with effect from the 1st day of March, 2026.

Substitution
of new
sections for
sections
276B,
276BB,
276C,
276CC,
276CCC and
276D.

20. For sections 276B, 276BB, 276C, 276CC, 276CCC and 276D of the Income-tax Act, the following sections shall be substituted and shall be deemed to have been substituted with effect from the 1st day of March, 2026, namely:—

Failure to pay
tax to credit
of Central
Government
under
Chapter XII-
D or XVII-B.

“276B. If a person fails to—

(a) pay to the credit of the Central Government, the tax deducted at source by him as required by or under the provisions of Chapter XVII-B; or

(b) pay tax or ensure payment of tax to the credit of the Central Government, as required by or under—

(i) the proviso to sub-section (1) of section 194S in relation to consideration for transfer of virtual digital asset, excluding such consideration which is wholly in kind; or

(ii) sub-section (2) of section 194BA in relation to winnings, excluding such winnings which are wholly in kind,

he shall be punishable—

(i) with simple imprisonment for a term up to two years, or with fine, or with both, where the amount of such tax exceeds fifty lakh rupees; or

(ii) with simple imprisonment for a term up to six months, or with fine, or with both, where the amount of such tax exceeds ten lakh rupees but does not exceed fifty lakh rupees; or

(iii) with fine, in any other case:

Provided that the provisions of this section shall not apply, if the payment referred to in clause (a) has been made to the credit of the Central Government at any time on or before the time prescribed for filing the statement for such payment under sub-section (3) of section 200.

Failure to
pay tax
collected at
source.

276BB. If a person fails to pay to the credit of the Central Government, the tax collected by him as required under the provisions of section 206C, he shall be punishable—

(a) with simple imprisonment for a term up to two years, or with fine, or with both, where the amount of such tax exceeds fifty lakh rupees; or

(b) with simple imprisonment for a term up to six months, or with fine, or with both, where the amount of such tax exceeds ten lakh rupees but does not exceed fifty lakh rupees; or

(c) with fine, in any other case:

Provided that the provisions of this section shall not apply if the payment of the tax collected at source has been made to the credit of the Central Government at any time on or before the time prescribed for filing the statement under the proviso to sub-section (3) of section 206C in respect of such payment.

Wilful
attempt to
evade tax,
etc.

276C. (1) If a person wilfully attempts in any manner to evade any tax, penalty or interest chargeable or imposable, or under-reports his income, under this Act, he shall, without prejudice to any penalty that may be imposable on him under any other provision of this Act, be punishable—

(a) with simple imprisonment for a term up to two years, or with fine, or with both, where the amount sought to be evaded or tax on under-reported income exceeds fifty lakh rupees; or

(b) with simple imprisonment for a term up to six months, or with fine, or with both, where the amount sought to be evaded or tax on under-reported income exceeds ten lakh rupees but does not exceed fifty lakh rupees; or

(c) with fine, in any other case.

(2) If a person wilfully attempts in any manner to evade the payment of any tax, penalty or interest under this Act, he shall, without prejudice

to any penalty that may be imposable on him under any other provision of this Act, be punishable —

(a) with simple imprisonment for a term up to two years, or with fine, or with both, where the amount sought to be evaded exceeds fifty lakh rupees; or

(b) with simple imprisonment for a term up to six months, or with fine, or with both, where the amount sought to be evaded exceeds ten lakh rupees but does not exceed fifty lakh rupees; or

(c) with fine, in any other case.

Explanation.—For the purposes of this section, a wilful attempt to evade any tax, penalty or interest chargeable or imposable under this Act or the payment thereof shall include a case where any person—

(a) has in his possession or control any books of account or other documents (being books of account or other documents relevant to any proceeding under this Act) containing a false entry or statement; or

(b) makes or causes to be made any false entry or statement in such books of account or other documents; or

(c) wilfully omits or causes to be omitted any relevant entry or statement in such books of account or other documents; or

(d) causes any other circumstance to exist which shall have the effect of enabling such person to evade any tax, penalty or interest chargeable or imposable under this Act or the payment thereof.

Failure to
furnish
returns of
income.

276CC. If a person wilfully fails to furnish in due time the return of fringe benefits, which he is required to furnish under sub-section (1) of section 115WD, or by notice given under sub-section (2) of the said section or section 115WH, or the return of income which he is required to furnish under sub-section (1) of section 139, or by notice given under clause (i) of sub-section (1) of section 142, or section 148, or section 153A, he shall be punishable —

(a) with simple imprisonment for a term up to two years, or with fine, or with both, where the amount of tax, which would have been evaded if the failure had not been discovered, exceeds fifty lakh rupees; or

(b) with simple imprisonment for a term up to six months, or with fine, or with both, where the amount of tax, which would have been

evaded if the failure had not been discovered, exceeds ten lakh rupees but does not exceed fifty lakh rupees; or

(c) with fine, in any other case:

Provided that a person shall not be proceeded against under this section for failure to furnish in due time the return of fringe benefits under sub-section (1) of section 115WD or return of income under sub-section (1) of section 139—

(i) for any assessment year commencing prior to the 1st day of April, 1975; or

(ii) for any assessment year commencing on or after the 1st day of April, 1975, if—

(a) the return is furnished by him before the expiry of the assessment year or a return is furnished by him under sub-section (8A) of section 139 within the time provided in that sub-section; or

(b) the tax payable by such person, not being a company, on the total income determined on regular assessment, as reduced by the advance tax or self-assessment tax, if any, paid before the expiry of the assessment year, and any tax deducted or collected at source, does not exceed ten thousand rupees.

Failure to
furnish
return of
income in
search cases.

276CCC. If a person wilfully fails to furnish in due time the return of income, setting forth his undisclosed income for the block period, which he is required to furnish by notice given under clause (a) of sub-section (1) of section 158BC, he shall be punishable —

(a) with simple imprisonment for a term up to two years, or with fine, or with both, where the amount of tax exceeds fifty lakh rupees; or

(b) with simple imprisonment up to six months, or with fine, or with both, where the amount of tax exceeds ten lakh rupees but does not exceed fifty lakh rupees; or

(c) with fine, in any other case:

Provided that no person shall be punishable for any failure under this section in respect of search initiated under section 132 or books of account, other documents or any assets requisitioned under section 132A, after the 30th day of June, 1995 but before the 1st day of January, 1997.